Theranos CEO Holmes Banned From Operating a Lab for 2 Years

Theranos Inc.’s Chief Executive Officer Elizabeth Holmes was banned for two years from owning or operating laboratories by U.S. regulators, a major blow against the controversial blood-testing startup that’s come under scrutiny for risking patient harm with unreliable tests, reports **Doni Bloomfield** for **Bloomberg Technology**.

“The once high-flying Silicon Valley company was also penalized for an undisclosed amount and lost its eligibility to get payments from federal health insurance programs for lab services, according to a statement late Thursday from Theranos, citing a notice it received from the Centers for Medicare and Medicaid Services,” the report says. “The closely-held firm is shutting down its Newark, California, lab and plans to rebuild it, Holmes said.”

The company founded by Holmes at one time had a $9 billion private valuation, based on technology that it said would allow for cheap, less-painful blood tests processed with breakthrough analyzers. Regulators soon stepped in, citing violations that put patients’ health and safety at risk.

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